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Part III. Rate Schedule No 1		
Title: LOCAL SERVICE		PSC File Mark Only

(CT)(CR) 1.3 LIFELINE ASSISTANCE PROGRAM

1.3.1 GENERAL

- 1.3.1.1 This tariff is effective on the date the new FCC rules on Lifeline become effective.
- 1.3.1.2 The Lifeline Assistance Program (hereinafter "Lifeline") is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers. Lifeline provides for a federal credit equal to \$9.25.
- 1.3.1.3 The discounts apply to monthly recurring rates for qualifying residential customers.
- 1.3.1.4 Discounts are applied to rates and charges for residential telephone service.
- 1.3.1.5 The Lifeline Program rate reductions do not apply to long distance service, class services, special features, and other ancillary services which may or may not be tariffed. Eligible customers may obtain these services, where available, at their discretion.
- 1.3.1.6 The Lifeline Program rate reductions do not apply to service connections charges.
- 1.3.1.7 (Reserved for future use)
- 1.3.1.8 This ETC will implement all special disconnect procedures required for Lifeline customers.
- 1.3.1.9 This ETC shall not charge Lifeline customers with a monthly Number-Portability charge.
- 1.3.1.10This ETC shall offer toll blocking to all qualifying applicants at the time such consumers subscribe to Lifeline service. If the consumer elects to receive toll blocking, that service shall become part of that consumer's Lifeline service. The customer is under no obligation to accept the subscription to toll blocking.
- 1.3.1.11This ETC shall not collect a service deposit in order to initiate Lifeline service, if the qualifying consumer voluntarily elects toll blocking, where available, otherwise, this ETC may charge a service deposit in the ordinary course of business.

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LIFELINE ASSISTANCE PROGRAM (continued)

1.3.2 DESIGNATED LIFELINE PROGRAM SERVICE

1.3.2.1 General

- 1.3.2.1.1 Certain telephone services are specifically part of Lifeline service. Other services are optional. This ETC has a specific Lifeline offering.
- 1.3.2.2.1 This ETC shall offer services or functionalities defined, by F.C.C. 47 CFR Part 54, to be voice telephony service. This service enables consumers to communicate with others that live nearby, while having access to all distance communications.

1.3.3 REGULATIONS

- 1.3.3.1 All the telecommunications provider rules and general tariffs of this company apply to lifeline service unless specifically in conflict with this Section and schedule
- 1.3.3.2 Lifeline Service is available only with residence services, excluding foreign exchange service.
- 1.3.3.3 Lifeline Service is limited to one line per household at the customer's primary residence. "Household" is defined consistent with the Low-Income Home Entergy Assistance Program as " any individual or group of individuals who are living together at the same address as one economic unit, " with an "Economic Unit" defined as " all adult individuals contributing to and sharing in the income and expenses of a household." Lifeline support to individuals living in group living facilities must demonstrate when initially enrolling in the program that any other lifeline recipients residing at their residential address are part of a separate household.

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		1.3.4	QUALIFICATIONS		
			1.3.4.1 General 1.3.4.1.1		applicants must be participants in sor qualify through a low income
			1.3.4.2 Qualification 1.3.4.2.1	through Governmental Program To qualify for lifeline service t participation applicants must p following governmental progra	hrough governmental program articipate in at least one (1) of the
				 Medicaid Food Stamps Supplemental S Federal Public I Low Income Ho Temporary Assi 	Housing and Urban Development ecurity Income (SSI) Housing Assistance Program ome Energy Assistance Program istance for Needy Families (TANF) I Lunch (NSL) Program's Free
			1.3.4.3 Qualification	through low income eligibility	
			1.3.4.3.1	To qualify through low income as defined in Sec. 54.400(f) mu federal poverty guidelines.	e eligibility, the applicant's income ast be at or below 135% of the

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(CT) 1.3 LIFELINE ASSISTANCE PROGRAM (continued)

1.3.5 Certification

1.3.5.1 General

1.3.5.1.1

Applicants for lifeline must meet the eligibility guidelines. A certification process shall be used to ensure only eligible applicants receive lifeline service. Each applicant must certify that they are receiving support for only one line per household.

1.3.5.2 Certification of eligibility through low income qualification.

1.3.5.2.1

This ETC participates in the ALIVE Board program established by the Arkansas General Assembly in 2005 through Act 2289 of 2005 to provide a governmentally maintained income qualification certification process that includes self-certification by applicants, under penalty of perjury, that the documentation presented by the applicant accurately represents their annual household income and provides the number of individuals in the household. Per F.C.C. order, each subscriber must provide certain certifications when enrolling in the Lifeline Program. New Lifeline subscribers must provide documentation of program-based eligibility, which the Telephone Company enrolling the subscriber should review, but not retain. Should the subscriber attempt to certify based on income, the Telephone Company shall be provided supporting documentation in order to complete the certification. The certifying document shall also include the requirement that the consumer will notify this ETC if the consumer's income exceeds 135% of the Federal Poverty Guidelines. The ALIVE Board program shall provide this ETC with a copy of the above referenced procedures. This ETC shall review the procedures to ensure the procedures are appropriate to certify and document income

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1.3 LIFELINE ASSISTANCE PROGRAM (continued)

1.3.5.2.2

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This ETC shall monitor the ALIVE Board to ensure the ALIVE Board establishes appropriate procedures and provides this ETC with a copy of such procedures. This ETC shall review the procedures to ensure the procedures are appropriate to certify and document income based eligibility for lifeline enrollment. An officer of this ETC shall monitor the ALIVE Board certification process and procedures and shall certify at time of enrollment, under penalty of perjury, to the best of the officer's knowledge, that this ETC has procedures in place to review documentation via the ALIVE Board, and that the ETC, via the ALIVE Board, was presented with documentation that confirms the consumer's household eligibility, in that the consumer's household income is at or below 135% of the Federal Poverty Guidelines.

1.3.5.3 Certification of eligibility through participation in governmental programs

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	1.3.5.3.1	The applicant's eligibility for lifeline se	rvice due to participation in

governmental programs shall be certified by the applicant in coordination with the governmental entity providing, monitoring, or reviewing program participation. For instance, many programs may be provided by the Department of Human Services, Department of Health, and local school districts. This ETC, through the ALIVE board or the third-party, will coordinate with the applicant and the appropriate governmental entity to ensure proper certification. This ETC shall require the third-party to establish appropriate procedures that include self-certification by applicants, under penalty of perjury, that the applicant receives benefits from the eligibility programs and identify the program or programs from which the applicant receives benefits. The certifying document shall also include the requirement that the consumer will notify this ETC if the consumer ceases to participate in the program or programs.

1.3.6 CONSUMER COMPLAINT RESOLUTION

1.3.6.1 General

1.3.6.1.1

The Federal Lifeline Program requires a consumer complaint resolution process. The Arkansas Public Service Commission has determined in Order No. 1 of Docket No. 05-038-U that any ETC, which maintains tariffs and is subject to the Public Service Commission's consumer complaint procedures, meet the dispute resolution requirements for Lifeline. This ETC is subject to the Public Service Commission's consumer complaint procedures and shall use the Public Service Commission's consumer complaint procedures to meet the dispute resolution requirements for Lifeline.

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(CT) 1.3 LIFELINE ASSISTANCE PROGRAM (continued)

1.3.7 VERIFICATION OF CONTINUED ELIGIBILITY

1.3.7.1 General

1.3.7.1.1

The Lifeline program requires this ETC to annually monitor the continued eligibility of Lifeline participants by requiring each Lifeline subscriber, both existing subscribers and new subscribers, to provide annual self-certifications attesting to their continued eligibility of the program. During the re-certification process for year 2012, the Telephone Company shall re-certify all of their subscribers claimed on their June FCC Form 497 and report the results of this annual re-certification process to the Commission, USAC, and the Arkansas State Commission by the end of 2012. Beginning in 2013, this Telephone Company will annually choose to either, where ETCs cannot re-certify their subscribers by accessing a database, to re-certify their Lifeline customers on a annual basis or elect to have USAC re-certify them. Also, should the Telephone Company choose to use a state of federal program database to confirm a consumers ongoing eligibility for Lifeline, the annual re-certification will not be implemented.

1.3.7.2 (Reserved for future use).

1.3.7.2.1 (Reserved for future use)

1.3.7.2.2 (Reserved for future use)

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LIFELINE ASSISTANCE PROGRAM (continued)

1.3.8 PROCESS FOR TERMINATION OF LIFELINE BENEFITS

1.3.8.1 General	
1.3.8.1.1	A consumer's eligibility for Lifeline may be terminated due to failure to maintain qualifications for Lifeline. This ETC shall follow the required process for termination of Lifeline benefits.
1.3.8.2 Process	tonow the required process for termination of Enterine benefits.
1.3.8.2.1	Customers will be notified of the impending termination of
1.3.0.2.1	Lifeline benefits in a letter separate from the consumer's monthly bill.
1.3.8.2.2	The customer will have up to sixty (60) days from the date of the termination letter in which to demonstrate his or her continued eligibility before Lifeline support is discontinued.
1.3.8.2.3	A customer who appeals must present proof of continued eligibility consistent with the above Lifeline qualifications.
1.3.8.2.4	This ETC will terminate Lifeline services for subscribers who fail to demonstrate continued eligibility within the sixty (60) day time period.

1.3.9 RECORD RETENTION POLICY

1.3.9.1 General

1.3.9.1.1

The Federal Communications Commission has established specific record retention requirements for the Lifeline certification process. This ETC will have specific procedures to ensure its record retention policy complies with legal requirements.

1.3.9.2 This ETC, through its own recordkeeping or through the recordkeeping of the ALIVE Board and its third-party contractor on behalf of this ETC, shall maintain certification records for the period of time required by the Federal Communications Commission for all Lifeline participants.

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LIFELINE ASSISTANCE PROGRAM (continued)

1.3.9.3 This ETC shall retain certifications, signed by the subscriber, regarding the consumer's eligibility for Lifeline, including self-certifications, that income documentation accurately reflects the household income. This certification shall be retained at least as long as the consumer receives Lifeline service from this ETC or until this ETC is audited by the Administrator. This ETC shall maintain certifications for subscribers terminating Lifeline service for at least three (3) years after termination. Such records shall be maintained in compliance with all federal and Public Service Commission requirements and such records shall be provided to the Administrator or the Public Service Commission upon proper request.

2015 Progress Report

For Madison County Telephone Company

401709

In its USF / ICC Transformation Order and subsequent Orders, the Federal Communications Commission ("FCC" or "Commission") requires Eligible Telecommunications Carriers ("ETCs") to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) for the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter. Section 54.202(a)(1)(ii) states in part that ETCs are to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area. Each ETC shall estimate the area and population that will be served as a result of the improvements.

In its March 5, 2013 Order, the FCC specified that for rate-of-return carriers, the five-year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories". Madison County Telephone Company ("MADCO") is a rate-of-return carrier ETC and submitted its five-year network improvement plan in the 2015 submission, which was filed in June 2014. MADCO now submits its first Progress report in this, 2016 submission.

This progress report will focus on the activities that have transpired to-date in funding year 2015 as well as activities which are planned to transpire during the remainder of 2015. As a point of reference and for historical purposes, MADCO will include the original 5-year plan filed in the 2015 Submission.

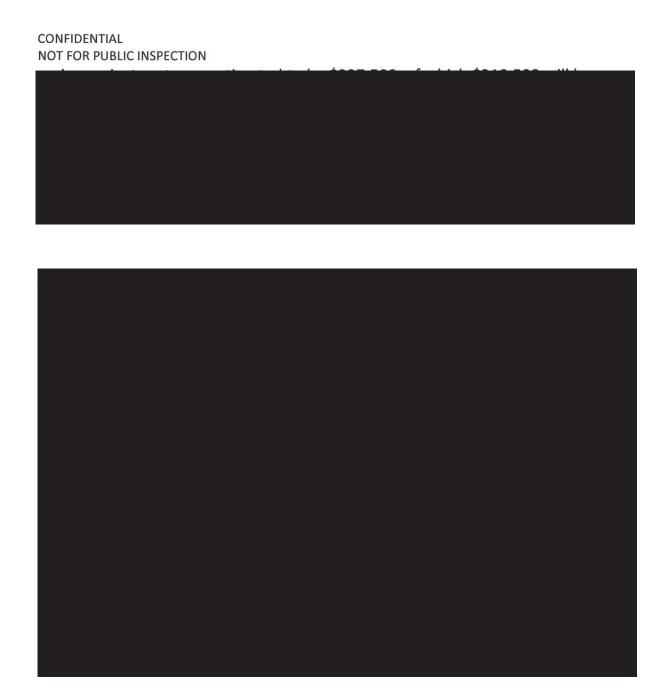
Estimated Federal Support for 2015 – (114)

Per the Universal Service Administration Corporation's (USAC) Third Quarter 2015 projected support, MADCO estimates their support funds in the following manner:



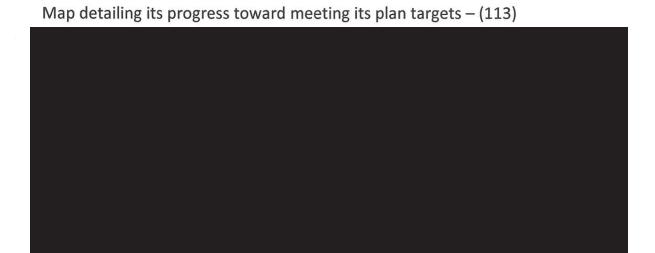
Summary of 2015 Progress – (115), (116), (117)





Explanation of network improvement targets not met – (118)





HISTORICAL 5 YEAR PLAN SUBMITTED IN THE 2015 SUBMISSION

Five-Year network Improvement Plan

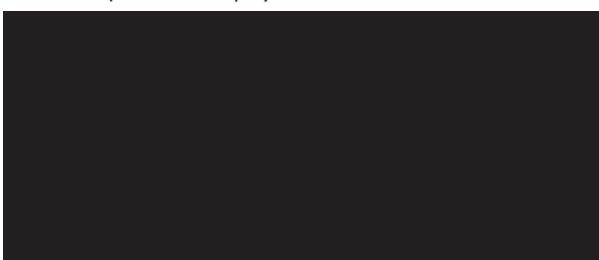
For Madison County Telephone Company, Inc.

In its USF / ICC Transformation Order and subsequent Orders, the Federal Communications Commission ("FCC" or "Commission") requires Eligible Telecommunications Carriers ("ETCs") to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(ii) for the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter. Section 54.202(a)(1)(ii) states in part that ETCs are to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area. Each ETC shall estimate the area and population that will be served as a result of the improvements.

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Telephone Company, Inc. ("MCTC") is a rate-of-return carrier ETC and hereby submits its five-year network improvement plan.

- 1. The Challenges Faced by the Company in Providing Voice and Broadband to its Rural Service Area
 - A. Description of the Company and its Service Area



B. The Exchanges Contained Within the Company's Study Area



II. The Company Has Used and Will Use Universal Service Support Only for the Intended Purpose

Section 254(e) of the Communications Act of 1934, as amended requires ETCs to use Universal Service Support ("USF") only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Pursuant to Section 54.314 of the FCC's rules, in order for state-designated ETCs to receive

USF for the coming year, states must annually file certifications by October 1 stating that all federal high-cost support provided to such carriers within the state "was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." ETCs not designated by the state must file similar certifications with the FCC.

In its USF/ICC Transformation Order, the FCC clarified that prior to making the Section 254(e) certifications, states should conduct a "rigorous examination of the factual information" contained in the annual Section 54.313 reports, of which the

five year network improvement plan and annual progress reports are a part, in determining whether they can certify that carriers' support has been used and will be used only for the purpose for which the support was intended. The FCC said that it would also use the reports to verify certifications filed by ETCs that are not state-designated. In this context, the Commission stated, " in light of the public interest obligations we adopt in this Order, a key component of the Section 254(E) certification will now be that support is being used to maintain and extend modern networks capable of providing voice and broadband service.

Essentially, under the existing rules and processes, the federal USF received by the Company and other incumbent rural telephone companies are, in fact, an integral part of the recovery of expenditures of rural incumbent local exchange carriers incurred in the provision, maintenance and upgrading of their provision of facilities and services for which the USF is intended. Madison County Telephone Company, Inc. depends upon its receipt and utilization of federal universal service support to provide rural telephone customers with affordable and quality voice and broadband services.

Accordingly, given the critical role the network improvement plan and the progress reports will have in the annual Section 254(e) certification process, Madison County Telephone Company, Inc.'s plan and progress reports will demonstrate not only how MCTC has used and will use USF not only for improvements and upgrades, but also for the provision and maintenance of the facilities and services to which the support was intended.

III. The Company's Five-Year Network Improvement Plan

When the Commission adopted its five-year plan requirements for FCC designated ETCs in its 2005 ETC Order, it set forth the following criteria as to how the ETC is

to describe with "specificity" the proposed improvements or upgrades to the ETC's network throughout its service area:

(1)how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the improvements.

In that order, the FCC clarified that service quality improvements in the five-year plan " do not necessarily require additional construction of network facilities." Accordingly, the improvements listed in the plan may be projects related to the expansion of the network (one or multiple service), projects related to updating technology to accommodate new services or higher bandwidth or maintenance projects, such as to reduce trouble reports and replace outdated equipment. Additionally, in some cases, the projects may be ones that improve or upgrade

the entire network rather than discrete areas within a study area or they may be ones that are ongoing projects that have no specific start and completion dates.

The instructions to the Form 481 state "recipients may describe where improvements are expected to occur by wire center or census block, as appropriate. To the extent no improvements are planned for specific areas , the five-year plan should so indicate." The instructions also require that in subsequent annual progress reports which must include the total amount of universal support received must provide this information "broken out separately by the amount spent on capital expenses and the amount spent on operating expenses."

Accordingly, the Company's five-year plan separately provides both capital expenditures and operating expenses.

A. The Company's Major Network Improvement Projects

Based upon this framework, Appendix A reflects Madison County
Telephone Company, Inc.'s major network improvement projects for the
five calendar years 2015 through 2019 along with the start and completion
dates, capital cost, areas and population associated with those projects

B. How These Projects Will Improve the Network

Below is a detailed description of each project listed in the attached Part A.



